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**FISCAL IMPACT STATEMENT**

**LS 6942**

**BILL NUMBER:** HB 1558

**NOTE PREPARED:** Jan 24, 2015

**BILL AMENDED:**

**SUBJECT:** School Discipline.

**FIRST AUTHOR:** Rep. Porter

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

STATE IMPACT	FY 2015	FY 2016	FY 2017
State Revenues		1,000,000	
State Expenditures			
Net Increase (Decrease)		1,000,000	

**Summary of Legislation:** This bill has the following provisions:

*Model Evidence Plan:* The bill provides that, not later than July 1, 2016, the Department of Education (DOE) shall develop, maintain, and make available to schools and school corporations a model evidence based plan for improving behavior and discipline within schools. It provides that a charter school and a school corporation shall establish an evidence based plan for improving student behavior and discipline. It provides that the DOE, in collaboration with certain entities, shall provide assistance to a charter school or school corporation in the implementation of the charter school or school corporation's plan.

*Reporting Requirement:* The bill requires a school corporation and charter school to compile and report certain information relating to disciplinary and law enforcement action.

*Disproportionality:* The bill requires the DOE to develop criteria and guidelines for determining the existence of disproportionality in discipline or inappropriately high rates of suspensions, expulsions, referrals to law enforcement, and arrests. It requires the DOE to work with schools to take corrective action on

disproportionality in discipline and high rates of suspensions and expulsions.

*Database:* The bill requires the DOE to develop a searchable data base concerning a school corporation's use of school discipline and referral to law enforcement.

*Positive Discipline Practice Program Fund:* The bill establishes the Positive Discipline Practice Program Fund. It provides that a school corporation may apply to the DOE to receive a grant from the fund to be used to assist in the reduction of disproportionality in discipline and to establish positive disciplinary practices.

*School Discipline:* The bill makes various changes to provisions relating to school discipline to reduce student exclusion from school. It repeals a provision that provides that a principal may require a student more than 16 years of age who wishes to re-enroll in school after an expulsion to attend certain alternative educational programs. It provides that provisions relating to school discipline apply to charter schools.

*Repealer:* The bill repeals a provision that establishes a reporting requirement for school corporations relating to school safety.

The bill also makes an appropriation.

**Effective Date:** July 1, 2015.

**Explanation of State Expenditures:** *Summary:* The bill appropriates \$1 M in FY 2016 from the state General Fund to the Positive Discipline Practice Program Fund.

*Model Evidence Plan:* The Department of Education (DOE) could incur some additional expenses in coordinating and consulting with the Department of Child Services, the Division of Mental Health and Addiction, parent organizations, and state educational institutions in developing a model plan for improving student behavior and discipline. The initial impact would be a one time cost for developing the plan. There might also be some additional cost every two years as the plan is reviewed and updated. The DOE and the other agencies would also incur ongoing cost in providing assistance and resources to school corporations as the corporations implement the model plan developed by the DOE. This would ensure that teachers and administrators receive appropriate professional development to prepare them to implement the model plan for improving student discipline.

In 2009, the legislature passed HEA-1419 which required the DOE to develop a model evidence-based plan for improving discipline and behavior within schools. That plan is, in many respects, similar to the one proposed by this bill. The model under HEA-1419 is still available so the cost to develop and implement the plan under this proposal could be significantly reduced.

*Reporting Requirement:* The DOE should be able to complete these requirements within existing resources.

*Disproportionality:* The DOE and the Civil Rights Commission should be able to fulfill the bill's requirements with no additional appropriations, assuming near customary staffing and resource levels.

*Database:* The DOE should be able to fulfill the bill's requirements with no additional appropriations, assuming near customary staffing and resource levels.

*Positive Discipline Practice Program Fund - DOE:* The DOE should be able to administer the fund, prescribe

application forms, process applications, and determine the amount of grants to be awarded to school corporations within existing resources.

*School Discipline:* Under this bill, the number of students transferred to alternative education programs might increase. These programs receive funding from the state through the Alternative Education Grant. If the number of student transfers to alternative education programs increase because of this bill, state funding may have to be increased.

*Additional Information: Model Evidence Plan:* The plan has to be developed not later than July 1, 2016, and would be reviewed and disseminated every two years. In 2009, the DOE was directed to develop a model evidence-based plan that is similar to this proposal. The documents and resources used to develop that plan are currently available on the DOE's web site.

*Reporting Requirement:* Not later than August 1, 2016, and August 1 each year thereafter, the DOE has to send a summary of the school discipline information it receives from school corporations to the Legislative Council, the Education Roundtable, and the Commission on Improving the Status of Children in Indiana. Not later than March 1, 2016, and March 1 each year thereafter, the DOE has to publish the information on its web site. The DOE also has to prescribe the form that school corporations use to report the information. Additionally, under the Family Education Rules and Privacy Act rules, the DOE may not disclose personal information that would reveal the identity of a student.

*Disproportionality:* The DOE, in consultation with the Civil Rights Commission, would develop criteria and guidelines for determining the existence of disproportionality. If the information reported by a school corporation or charter school indicates rates of in-school suspensions, out-of-school suspensions, expulsions, referrals to law enforcement, or arrests on school property that exceed the criteria determined by the DOE, the DOE, with the assistance of the Civil Rights Commission, the school corporation or charter school, would develop a corrective action plan to reduce excessive use of exclusionary practices or the disproportionality until the criteria are no longer exceeded.

*Positive Discipline Program Fund:* This fund, to be administered by the DOE, is established to encourage school corporations and charter schools to establish positive discipline practices and to reduce disproportionality in the administration of discipline. The money in the fund shall be used to provide grants to assist a school corporation or charter school to place counselors in schools, provide training in implementing a school's evidence-based plan, and reduce disproportionality.

The nonreverting fund would consist of appropriations from the General Assembly, gifts, grants from public and private entities, and interest income. The DOE has to prescribe application forms, process applications, and determine the amount of grants to be awarded to school corporations. The Treasurer of State would invest the money in the fund not currently needed to meet the obligations of the fund.

#### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary: Model Evidence-Based Plan:* School corporations and charter schools could expend additional resources in developing their evidence-based plan after receiving the model plan developed by the DOE. There would also be some recurring cost every two years when the plan is reviewed and resubmitted to the DOE. The corporations could also incur some costs in providing appropriate professional development training for staff personnel. The cost could be substantially reduced

if the school corporations have continued to implement the guidelines required under HEA-1419 incorporated by this bill.

*Reporting Requirement:* School corporations and charter schools would expend resources in compiling the requisite data annually to be forwarded to the DOE. The cost would be addressed within existing budgets.

*School Discipline:* School corporations and charter schools may have to expend additional resources in making arrangements for expelled or suspended students to continue their education. Alternative education programs receive funding from the state through the alternative education grant and from school corporations. If the number of students in alternative education programs increases because of this bill, local funding from school corporations may have to be increased.

*Positive Discipline Practice Program Fund:* The impact would depend on local action. A school corporation may or may not apply for a grant from this fund. If the school corporation decides to apply for a grant, it would have to provide resources to meet the application requirements determined by the DOE.

*Additional Information: Reporting Requirements:* Not later than January 31, 2016, and January 31 each year thereafter, each school corporation and charter school has to submit data, as outlined in the bill, to the DOE. The data must be disaggregated for each school within the school corporation by race, ethnicity, gender, disability, and discipline categories.

*School Discipline:* Under the bill, school corporations and charter schools have to incorporate positive discipline principles and practices into their graduated system of discipline. This revised system would attempt to minimize suspensions and expulsions from class and the involvement of law enforcement as much as practical. Under the bill, removing a student from school should be limited to situations where a student's conduct poses a threat to the health or safety of students or school employees. A student who is expelled would be given the opportunity to continue his or her education as outlined in the bill.

**Explanation of Local Revenues:** *Positive Discipline Practice Program Fund:* If a school corporation or charter school receives a grant from this fund, its local revenues would increase.

**State Agencies Affected:** Department of Education; Department of Child Services; Division of Mental Health and Addiction; State Educational Institutions; Treasurer of State; Civil Rights Commission; Commission on Improving the Status of Children in Indiana.

**Local Agencies Affected:** School corporations, Charter schools.

**Information Sources:** Department of Education website, [www.doe.in.gov/student-services](http://www.doe.in.gov/student-services). Department of Education, Improving School Behavior and Discipline, <http://www.doe.in.gov/student-services/improving-school-behavior-and-discipline>.

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